

County Executive Office

Jan Christofferson, County Executive Officer

CAPITAL IMPROVEMENT FUND 100 / APPROPRIATION 10790

	Actual 2002-03	Budget 2003-04	Requested 2004-05	Recommended 2004-05	Change %	Adopted 2004-05
Expenditures						
Services and Supplies	\$ 2,881,308	\$ 2,291,022	\$ 2,294,013	\$ 2,294,013	0%	\$ -
Capital Assets	1,823,000	-	-	-	0%	-
Other Financing Uses	17,846,228	3,600,000	27,727,982	22,748,878	532%	-
Intra Fund Charges	8,559,366	6,877,051	6,877,051	856,155	-88%	-
Net Budget:	\$ 31,109,902	\$ 12,768,073	\$ 36,899,046	\$ 25,899,046	103%	\$ -
Revenue						
Intergovernmental Revenue	\$ 3,316,896	\$ 3,316,896	\$ 3,316,896	\$ 3,316,896	0%	\$ -
Miscellaneous Revenue	-	-	5	5	100%	-
Other Financing Sources	290,275	336,147	443,255	443,255	32%	-
Total Revenue:	3,607,171	3,653,043	3,760,156	3,760,156	3%	-
Net County Cost:	\$ 27,502,731	\$ 9,115,030	\$ 33,138,890	\$ 22,138,890	143%	\$ -
Allocated Positions	-	-	-	-	0%	-

CORE FUNCTION

Capital Improvement

Provides a General Fund contribution for the repair, replacement or improvement of the County's infrastructure, including facilities and roads, and to plan for and construct new facilities needed to accommodate growth in Placer County.

County Executive Comments And Recommendations

Recommended expenditures for the *Contribution to Facilities and Infrastructure* appropriation include three main contributions: DeWitt Enterprise Fund, \$1,460,000; Road Fund, \$5,020,896; and the two Capital Projects Funds, \$17,727,982.

The recommended \$1,460,000 contribution to the DeWitt Enterprise Fund consists of \$1,335,000 for space occupied by General Fund departments and \$125,000 for related utility usage.

The recommended \$5,020,896 contribution to the Road Fund consists of \$3,770,896 for the road maintenance program, \$250,000 for special road and related projects, and \$1,000,000 for road overlays or major maintenance projects. The proposed budget sets aside \$3,316,896 of State Vehicle In-Lieu Funding (which is the same level as the prior fiscal year) as a revenue source to help pay for these costs.

The recommended \$17,727,982 contribution to the Capital Projects Funds consists of \$9,364,344 for the Building Fund and \$8,363,638 for Capital Projects Securitization Fund. Specific projects that have been identified to receive the funding are the Land Development Center (total project costs estimated at \$25.4 million), the Auburn Justice Center (total project costs estimated at \$31.8 million) and the South Placer Criminal Justice Center (total project costs for Phase I estimated at \$49.2 million). In addition, the latter project will also require about \$23 million in financing, which will be secured in late FY 2004-05 or early FY 2005-06 depending upon the cash flow needs of the project. The cost of this financing, estimated to range between \$1.5 million and \$2.0 million per year, is not included in the proposed budget and will be addressed at a later date.

Capital Facility Projects

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The entire \$17,727,982 contribution to Capital Projects Funds will be funded by the cancellation of General Fund reserves that were established by the County's Board of Supervisors over a series of years as part of a strategic planning effort to fund capital infrastructure projects. In addition to the General Fund reserves, other revenue identified in the Capital Project Fund that will contribute to these projects are Capital Facility Impact Fees and Tobacco Securitization revenues that are restricted revenues that can only be used for capital infrastructure projects. Importantly, the Capital Facilities Financing Plan, last approved by the Board of Supervisors in 2002, will be updated after the State issues its "May Revise" and before adoption of the County's final budget. In light of constrained discretionary revenues and increasing project costs, it is probable that staff will recommend deferring a major portion of the planned projects over the next several years to insure that expenditures and revenues remain balanced and that the County lives within its means. However, this is a complex discussion that warrants separate attention.

Department requested funding considerations for final budget:

- Restore the contribution to road overlay (\$1 million)